



Fleetwood Estate

Market trends, investments and the importance of community schemes



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Property Trends

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Protecting your investment

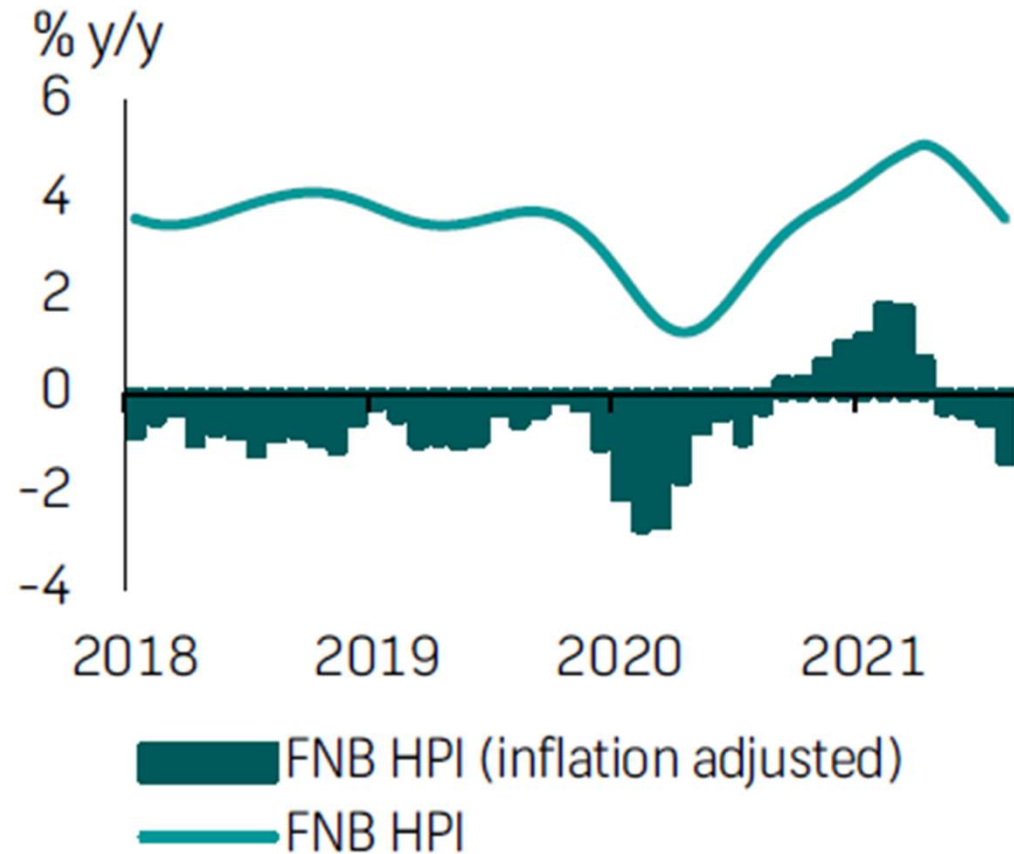
- Continual investment
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Property Trends

Inflation:

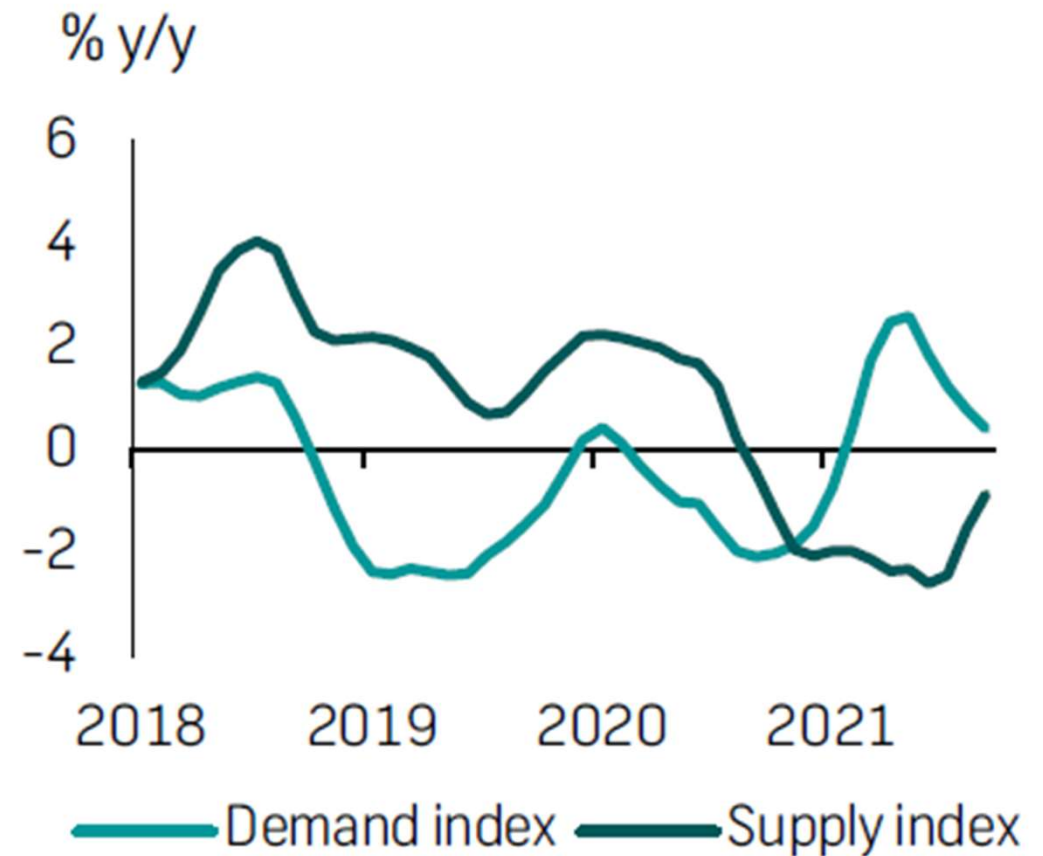
- The market saw a strong rebound after the decline in lending rates in the 2nd half of 2020 and in to 2021.
- The market saw a high inflation rate of 4.8% in the 2nd Quarter of 2021 but has started to level off in the 3rd quarter. The average inflation rate settled at 3.5%.

Figure 1: FNB HPI



Demand Index

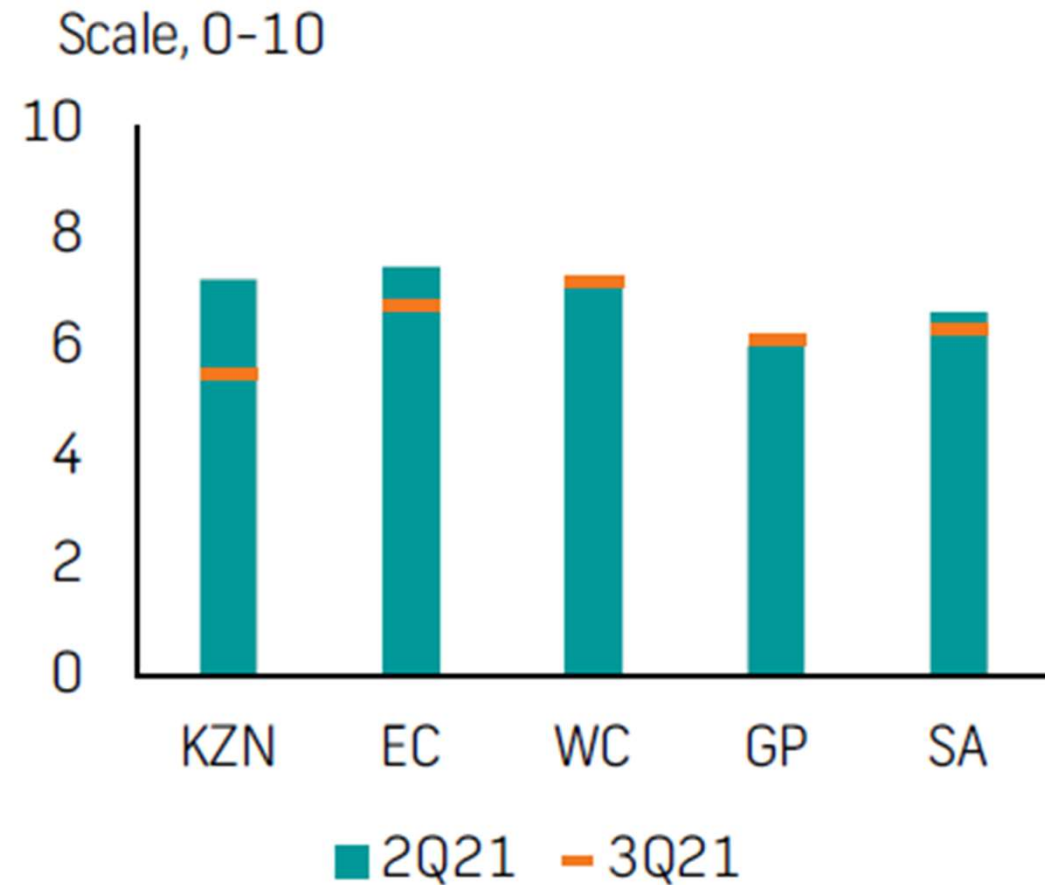
- With homeowners uncertain about obtaining their property values amidst the 3rd and 4th quarter of 2020, the number of properties on the market declined.
- Naturally, with the change of housing needs for a more “work from home” environment along with the decrease in lending rates, this drove the demand for property to its peak seen in the 2nd quarter of 2021.



Source: FNB Economics

Market Response to Rioting

- The greatest province that was affected by the rioting was that of KZN, seeing a 23.6% decline in property demand.
- This was noted as property sales began having a longer turn around time, along with fewer buyers coming into the marketplace.



Source: FNB Economics

Annual Trends

Annual Sale and Listing Trends

Properties for Sale in Lonehill

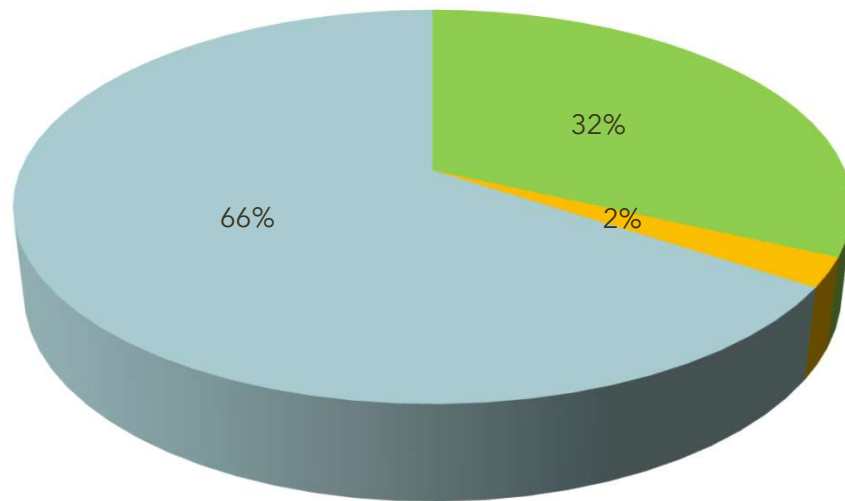
Sold Prices in Lonehill

This graph shows the annual number of Sales registered in the deeds office, as well as the average selling price and asking price of all Property24 listings for the same time period.



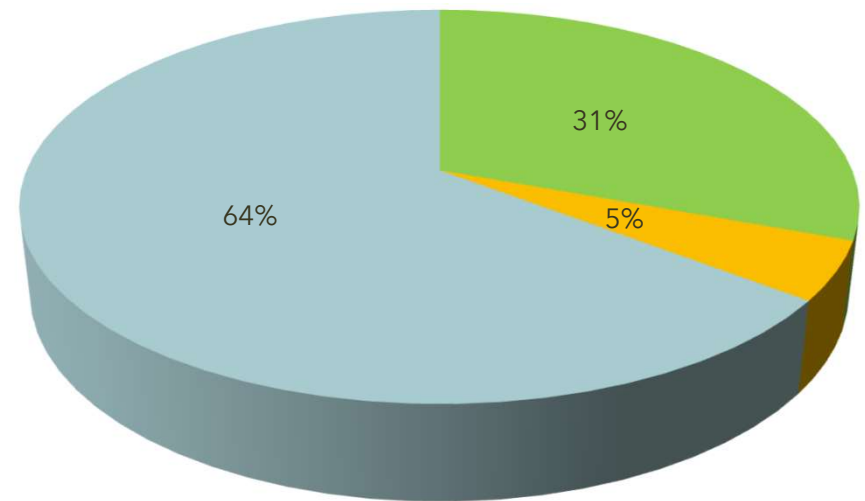
What we are seeing:

2020 Sales



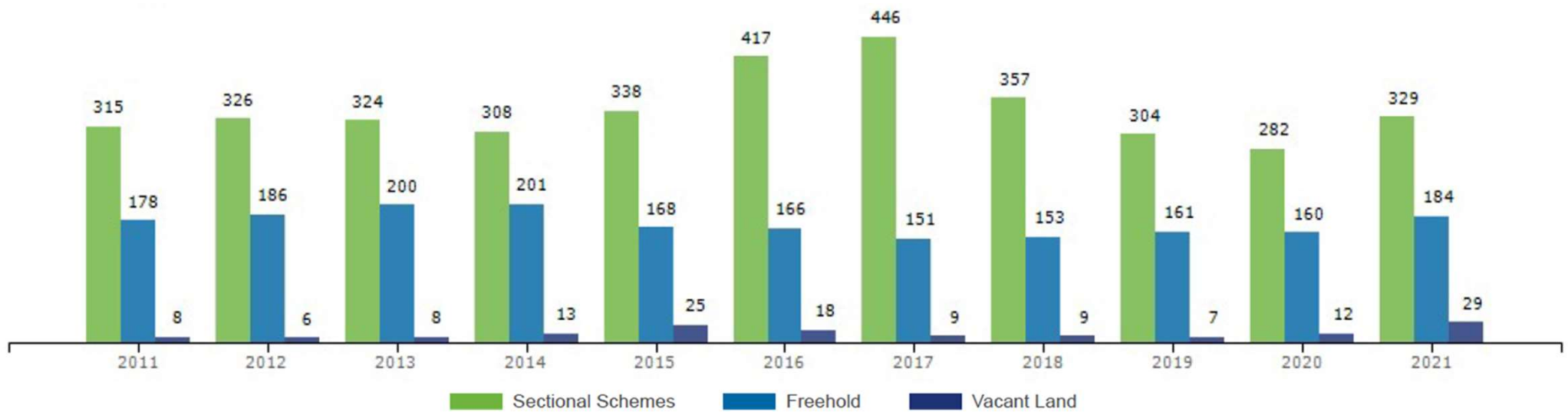
■ Freehold within Estates ■ Freehold ■ Sectional Title

2021 Sales



■ Freehold within Estates ■ Freehold ■ Sectional Title

Property Registrations:



Reasons homeowners are selling

Table 1: Reasons for selling – 3Q21

	3Q21	<R750k	R750k-R1.6m	R1.6m-R2.6m	R2.6m-R3.6m	>R3.6m
Lifestyle:						
Downscaling due to financial pressure	19%	20%	24%	18%	13%	16%
Upgrading	14%	12%	16%	14%	16%	12%
Downscaling with life-stage	23%	19%	20%	27%	26%	25%
Other:						
Moving for safety and security reasons	7%	9%	8%	5%	4%	6%
Emigrating	8%	3%	5%	9%	13%	14%
Relocating	11%	8%	10%	12%	12%	13%
Change in family structure	11%	11%	10%	11%	15%	11%
Moving to be closer to work/amenities	8%	19%	7%	4%	1%	4%

Protecting your Investment:

- Ongoing investment:

1. Maintaining your property is key. Far too often we find homeowners neglect the general ongoing maintenance that comes with owning a property, which in the long run will only lead to greater problems, higher costs and less value for your home when it comes time to place it on the market.
2. It is important to look for those relatively low-cost changes that you could make to your home. The ongoing investment in your property will help you to fetch a higher price when it comes time to sell and leave you to enjoy a home that is constantly seeing improvement.
3. Be cautious of overcapitalizing. Far too often, homeowners decide to conduct major renovations to their property, which often times leaves them out of pocket at the end of the day. If you are thinking of renovating your home, reach out to your specialist to get their advice on overcapitalization.
4. Keep an eye out for those upcoming trends. Homes that have more "off-grid" capabilities are becoming more and more in demand. Keeping in the know how on upcoming demands is a good way to add long term value to your investment.





Protecting your investment:

- Community:
 1. A community estate is something that is becoming more and more sought after in the property market. We find that estates and complexes that are more community orientated have the leverage of demanding higher prices for their properties.
 2. Seek to get involved and invest further in your estate's community. It is a good way to help boost the value of homes within your estate.

Protecting your investment:

- Security:
 - Security is of upmost importance particularly in a time when crime rates are at their highest. This is one of the main contributors to the drive-in investments in community schemes at the moment with the majority of property purchases taking place in security estates and complexes.
 - Complexes and Estates which have low crime rates are more likely to peak the interest of family orientated buyers or those who are looking for the lock up and go feel.





Protecting your investment:

- Area:
 - Choosing the right area to invest in is critical if you are looking for the long-term appreciation of your return on investment.
 - Signs of a good up and coming area will be the following:
 - Developments taking place in and around the area are a positive sign of economic growth.
 - The area's sense of community and community engaging events are a positive sign of a thriving area.
 - Security, is ever growing demand in our country, looking for an area that is investing in their security is always a positive sign that will drive demand up in the long run.
 - Condition of infrastructure will tell you a lot about the area and where it may be heading in the future.
 - If you have already invested in an area that is showing these positive signs, make a conscious effort to contribute to the ongoing development of the area and the community as this will only give you greater returns in the future.

Thanks, from me and
our team at Grounded
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